

Message Text

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67

ORIGIN AF-18

INFO OCT-01 ADP-00 EB-11 AID-20 CIAE-00 INR-10 NSAE-00

RSC-01 SS-15 NSC-10 PM-07 L-03 IGA-02 IO-13 MC-02

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AF/RA:AJNAVEZ

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FM SECSTATE WASHDC

TO AMEMBASSY ADDIS ABABA

INFO AMCONSUL ASMARA

CSAF

USCINCEUR

CINCUSAFE

CONUSAFMAC

C O N F I D E N T I A L STATE 144339

E.O. 11652:GDS

TAGS: MARR, ET

SUBJECT: LANDING/PARKING/NAVIGATION FEES IN ETHIOPIA

REF: A. ADDIS ABABA 7089 (1972) AND PREVIOUS

B. ADDIS ABABA NOTE NR 452 DTD 23 SEP 71

C. STATE 136114 (1972)

D. ADDIS ABABA 3463 (1972)

1. REGRET LONG DELAY IN RESPONDING TO LATEST IN SERIES
OF MESSAGES ON SUBJECT MATTER.

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2. DUE TO LEGAL TECHNICALITIES WHICH AROSE DURING OUR LATEST REVIEW WE ARE PROPOSING ALTERNATIVE ARRANGEMENT, DESCRIBED BELOW, WHICH DIFFERS LITTLE IN SUBSTANCE FROM THE OFFSET ARRANGEMENT (AND SHOULD THEREFORE BE ACCEPTABLE TO IEG) BUT DOES PROVIDE A FORM ACCEPTABLE FOR INTERNAL USG PURPOSES.

A. WE PROPOSE TO UNILATERALLY REDUCE ANNUAL MAAG SUPPORT BILLING (CURRENTLY, ETH. DOLS 1.5 MILLION) IN AN AMOUNT EQUIVALENT TO WHAT WOULD HAVE BEEN OFFSET IN THE EARLIER PROPOSAL. HOWEVER, AMOUNTS ALLEGEDLY PAST DUE IN RESPECT OF AF LANDING/PARKING FEES CANNOT BE SET OFF AGAINST MAAG SUPPORT COST ARREARAGES BUT WOULD BE LIQUIDATED OVER A TWO YEAR PERIOD THROUGH AN ADDITIONAL DEDUCTION FROM OUR MAAG SUPPORT COST BILLINGS.

B. THE UNDERSTANDINGS CONTAINED IN REF B, CONCERNING EXEMPTION OF ALL MAC FLIGHTS INTO ADDIS, FINANCIAL ARRANGEMENTS FOR ASMARA AIRPORT, AND THE FORMULA FOR ASSESSING CHARGES IN THE FUTURE WOULD APPLY TO THIS ARRANGEMENT. IN ADDITION, IN ORDER TO SETTLE NAV FEES ISSUE, WE WOULD PERMIT AN ADDITIONAL ANNUAL DEDUCTION FROM MAAG SUPPORT COST BILLINGS TO COMPENSATE IEG FOR THE BURDENS PLACED ON ITS AIR TRAFFIC CONTROL FACILITIES BY MAC FLIGHTS. USG STILL MAINTAINS THE POSITION THAT ITS STATE AIRCRAFT ARE NOT LIABLE FOR IEG "EN ROUTE NAVIGATIONAL CHARGES", BUT WE PROPOSE THIS REDUCTION IN MAAG SUPPORT COST BILLINGS AS A METHOD OF RESOLVING THIS DISPUTE. THIS WOULD BE A NEGOTIATED LUMP SUM, REPRESENTING COMPENSATION TO IEG FOR BURDENS PLACED ON ITS AIR NAVIGATION FACILITIES, IT SHOULD EXCLUDE MAC FLIGHTS IN SUPPORT OF JOINT USG/IEG ACTIVITIES AND COULD UTILIZE THE LANDING/PARKING FEES FORMULA, I.E., EXEMPTION FOR ALL FLIGHTS INTO ADDIS. PAST DUE NAV FEES WOULD BE LIQUIDATED OVER A TWO YEAR PERIOD AS IN PARA 2A ABOVE FOR LANDING/PARKING FEES.

3. THIS PLAN WOULD BE EFFECTUATED BY A LETTER FROM AMBASSADOR TO MOFA WHICH NOTED THE CONTRIBUTIONS WHICH
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THE IEG WAS MAKING TO USG ACTIVITIES IN ETHIOPIA (I.E., LANDING/PARKING/NAV FEES EXEMPTIONS) AND, IN CONSIDERATION THEREOF, THAT THE USG HAD DECIDED TO REDUCE ITS MAAG SUPPORT COST BILLINGS BY A COMMENSURATE AMOUNT. IN ORDER TO AVOID INTERNAL USG FISCAL PROBLEMS PRESENTED BY OFFSET AGREEMENT, NOTE SHOULD BE UNILATERAL IN NATURE AND NOT CALL FOR IEG AGREEMENT.

4. NOTHING IN THIS PLAN INTENDED TO DEROGATE FROM PHILOSOPHY EXPRESSED IN REFS C AND D CONCERNING USG DESIRE TO COLLECT PAST DUE MAAG SUPPORT COSTS. IN FACT, INSTANT PLAN AFFECTS ONLY PROSPECTIVE MAAG SUPPORT BILLINGS; AMOUNTS DUE FROM PRIOR YEARS' BILLINGS REMAIN RESPONSIBILITY OF IEG.

5. ACTION REQUESTED:

A. EMBASSY SHOULD MAKE PRELIMINARY ESTIMATE OF AMOUNTS TO BE DEDUCTED FROM CURRENT ETH. DOLS 1.5 MILLION MAAG SUPPORT COST BILLING TO REFLECT REQUIREMENTS OF PARAS 2A AND B ABOVE. DEDUCTIBLE AMOUNTS WOULD FALL INTO 4 CATEGORIES:

1. ANNUAL DEDUCTION FOR YEARLY LANDING/PARKING FEES

2. ANNUAL DEDUCTION FOR YEARLY NAV FEES

3. DEDUCTIONS TO LIQUIDATE PAST DUE LANDING/ PARKING FEES OVER A TWO YEAR PERIOD

4. DEDUCTIONS TO LIQUIDATE PAST DUE NAV FEES OVER A TWO YEAR PERIOD.

B. EMBASSY SHOULD DISCUSS THIS PROPOSAL WITH APPROPRIATE IEG OFFICIALS. AS WE DO NOT CONTEMPLATE AGREEMENT AS SUCH WITH THE IEG, IT IS IMPORTANT THAT INTERESTED IEG MINISTRIES (PARTICULARLY CAA) BE AMENABLE TO THIS PROPOSAL. ONCE THEIR CONCURRENCE IS OBTAINED WASHINGTON WILL SUPPLY TEXT OF LETTER
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DESCRIBED IN PARA 3 ABOVE. ROGERS

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